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UNCLAS BANGKOK 006693

SIPDIS

DEPARTMENT FOR EAP/MLS AND EB
COMMERCE FOR 4430/EAP/MAC/OKSA
TREASURY FOR OASIA
STATE PASS FOR US INTERNATIONAL TRADE COMMISSION
STATE PASS TO USTR FOR WEISEL, COEN

E.O. 12958: N/A

TAGS: [EAGR](#) [ETRD](#) [ECON](#) [TH](#)

SUBJECT: THAI GROUPS PRESS TO LIFT U.S. SHRIMP TARIFFS

1. On October 26, about forty persons representing various Thai shrimp farmer organizations held a press conference on the sidewalk outside of Embassy Bangkok, expressing concern about the outcome of the U.S. International Trade Commission (ITC) review of anti-dumping tariffs on Thai shrimp exported to the U.S. In November, the ITC is scheduled to complete a "changed circumstances review" of anti-dumping measures based on the damage caused to shrimp hatcheries by the December 2004 tsunami.

2. After speaking to the assembled print and broadcast media, the shrimp farmer representatives presented a letter signed by the presidents of ten regional "shrimp farmer clubs" to the embassy for delivery to the ITC. Text of the letter follows:

3. Begin text:

Dear Sirs:

Diplomatic relations between the American government and the Royal Thai government dated back more than 169 years since 1883. The relationship was further strengthened after the World War II. Mutual assistance was rendered in all aspects including political, economics and social responsibility. We, the Thai people, are very concerned for our American friends when Hurricane Katrina hit the US southern states late August. We would assist in whatever way we could.

The tsunami that devastated Thailand's southern provinces on December 26, 2004 had destroyed more than 30 percent of the shrimp hatchery operations. To date, no restoration has taken place. Damaged hatcheries are left in the same condition as when the ITC team went to survey the area during August 15-17, 2005. Though more than 90 percent of the hatcheries had received monetary compensation from the government, the amount was so small there is no way for the operators to resume their business. Many have given up and resort to finding works in other fields and profession. Also, many landowners, who rented out their land to hatchery operators, now invest to build hotel and resort on their property. Only 10 percent of the hatchery operators are adamant and continue to find ways to start up their shrimp hatchery operations but to no avail.

Because of the aforementioned scenario, Thailand's shrimp hatchery production has been way below expectation. More than 30 percent of the shrimp farms production eliminated by the tsunami has impacted and greatly reduce the capability of Thai shrimp production. We, the undersigned, represent the country's honest and hardworking shrimp farmers. We implore the Commissioners for their sympathy and to revoke the dumping duties on Thai shrimp. Your kind act will enable Thailand to be able to compete fairly with other shrimp producing countries.

We humbly submit our request for your consideration and looks forward to receiving a just decision.

End Text.

4. Comment: The issue of anti-dumping duties on shrimp has been a frequent topic in the press and, to some degree, is seen by many Thais as an indicator of USG responsiveness to Thai concerns - with some comparing the need for US understanding of Thailand's position to the situation during the 1997 financial crisis. PM Thaksin raised this issue with the President in their September 19 White House meeting. More recently, the PM's chief advisor told Ambassador Boyce that Thailand would withdraw its ban (because of BSE concerns) on imports of U.S. beef, but pointedly added: "and what will you do now about our shrimp issue." It is a safe bet that the final decision of the ITC will be front page news here for several days after the fact.